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HOUSE STATE AFFAIRS COMMITTEE

NEXT COMMITTEE: RESOURCES

BILL: SB 11

CURRENT VERSION: CS SB 11 (FIN)

SCHEDULED: MAY 4, 1988

SPONSOR: COGHILL

PHONE NO: 4745

CONTACT FILE: \_\_\_\_\_

BILL SUBJECT: CONVEYANCE OF FIVE-ACRE HOMESITE ON AGRICULTURAL LAND

SPONSOR BACKUP: IN FILES

AFFECTED AGENCIES:

<u>DEPARTMENT</u>	<u>CONTACT/PHONE</u>	<u>COMMENT</u>
NATURAL RES.	SHARON BARTON/2406	

FISCAL NOTES

<u>AGENCY</u>	<u>REQUESTED</u>	<u>DATED</u>	<u>FY 88 AMT</u>	<u>FY 89 AMT</u>
DNR		3/19/88	-0-	\$79,000

ACTION

<u>DATE</u>	<u>COMMENT</u>
4/29/88	HEARING -- HELD FOR CS
5/4/88	HCS ADOPTED AND PASSED FROM COMMITTEE

STATE OF ALASKA  
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY  
LEGISLATIVE REFERENCE LIBRARY

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

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

*House State Affs.*

*4/29/88*

*5/3/88*

# HOUSE COMMITTEE REPORT

(7)

Date referred: 4/10/87

FURTHER REFERRALS: Resources  
Finance

DATE: 5-4-87

The State Affairs Committee has considered CSSB 11(Fin)

"An Act relating to the conveyance of a five-acre homesite on agricultural land; and providing for an effective date."

**RECOMMENDS:**

- replace with HCS CS SB 11 (SA) [ ] the same title
- [ ] attached amendment(s) [ ] a new title
- [ ] do pass
- [ ] do not pass
- no recommendation
- [ ] individual recommendations
- [ ] additional referral to the \_\_\_\_\_ Committee

**ADOPTS:** [ ] \_\_\_\_\_ letter of intent

**ATTACHES NEW FISCAL NOTE(S):**

- fiscal impact [ ] same as previous fiscal note published \_\_\_\_\_
- [ ] zero fiscal note [ ] same as previous zero fiscal note published \_\_\_\_\_
- [ ] zero with analysis

**SIGNING DO PASS:**

\_\_\_\_\_

Grant Williams

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**SIGNING OTHER RECOMMENDATIONS:**

Terry Martin - No Rec

Chip Davidson - No Rec

Lynn Hoffman - No Rec

Mike Lerner - No Rec

Dave Douley - NO REC

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Mark Wilson

Chairman's signature



Official Business

# Alaska State Legislature

## House

Pouch V  
State Capitol  
Juneau, Alaska 99811

### M E M O R A N D U M

TO: House State Affairs Committee

FROM: Representative Fran Ulmer, Chair  
House State Affairs

DATE: May 4, 1988

RE: Committee Substitute for SB 11(SA) Work Draft

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Several concerns have been raised by legislators, the public, state agencies and Alaska Housing Finance Corporation regarding SB 11.

The CS for SB 11(SA) is designed to address the above concerns but still maintain the intent of the original bill. The amendments to SB 11 are discussed below:

1) Purchase of a fee simple homesite not to exceed five acres.

Provides more flexibility in tract size so that existing homesites can be accommodated.

2) The buyer be in "good standing".

Allows the commissioner to determine whether the buyer is acting in good faith - for example, controlling situations where a buyer is simply obtaining fee simple homesites with the intention of defaulting on their agricultural parcel.

3) Access to a public right-of-way.

Guaranteed access so that mortgages will be marketable to secondary mortgage investors.

4) Definition of "homesite".

Excludes agricultural production facilities from the homesite so that the mortgage will be marketable to secondary mortgage investors.

5) The buyer agrees to use the homesite as a homesite for 20 years.

As a condition of purchase, the buyer agrees to use the homesite as their residence and not as a tourist lodge. If the owner sells the homesite, the agreement not to use the homesite for other purposes would be part of the new buyers contract. The 20 year limit is represents a reasonable time period to meet the states original purpose

Limiting the original agricultural tract to one homesite.

Another concern centered on limiting the original agricultural tract to only one homesite. The language in SB 11 already prevents several 1 to 5 acre homesite from being purchased on each agricultural tract:

"The commissioner may not negotiate the sale of more than one homesite on each original tract purchased from the state."

House Concurrent Resolution

The CS for SB11(SA) work draft requires a title change since number of homesite acres is variable and not set at 5 acres.

5-0100X

Bradley  
5/2/88

Original sponsor: Coghill

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 11 (State Affairs)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the conveyance of a five-acre  
7 homesite on agricultural land; and providing for an  
8 effective date."

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

10 \* Section 1. AS 38.05.065 is amended by adding a new subsection to  
11 read:

12 (i) The commissioner may negotiate with the owner of land sub-  
13 ject to agricultural rights the purchase by that owner of a fee simple  
14 homesite not to exceed five acres if the owner has had the land sub-  
15 ject to the agricultural rights for three or more years and, if the  
16 owner has a loan from the state on the land subject to the agricul-  
17 tural rights, the loan is and has been in good standing for the most  
18 recent three years. The commissioner may not negotiate the sale of  
19 more than one homesite on each original tract purchased from the  
20 state. The purchaser shall pay the costs of any survey, appraisal,  
21 and notice requirements and shall agree, as a condition of the  
22 purchase, to use the homesite only as a homesite for 20 years after  
23 the conveyance. The homesite must be situated on the perimeter of the  
24 agricultural tract with clear dedicated access to a public right-of-  
25 way. The purchase price of the homesite shall be the fair market  
26 value of the land at the time of the application for the purchase. In  
27 this subsection, "homesite" means land used for residential and other  
28 related purposes but does not include barns, corrals, garages, work-  
29 shops, and storage facilities that are necessary to make the

1 agricultural tract a complete economic unit.

2 \* Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

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5-2198A  
Bradley  
5/3/88

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE  
 2 HOUSE CONCURRENT RESOLUTION NO.  
 3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
 4 FIFTEENTH LEGISLATURE - SECOND SESSION  
 5 Suspending Uniform Rules 41(b), 24(c),  
 6 and 35 of the Alaska State Legislature  
 7 concerning Senate Bill No. 11.

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

9 That under Rule 54 of the Uniform Rules of the Alaska State Legisla-  
 10 ture the provisions of Rule 41(b), Rule 24(c), and Rule 35 of the Uniform  
 11 Rules, regarding changes to the title of a bill, are suspended in con-  
 12 sideration of Senate Bill No. 11, relating to the conveyance of a five-acre  
 13 homesite on agricultural land.

5-0100X

Bradley  
5/2/88

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5-0100X  
Bradley  
4/28/88

Original sponsor: Coghill

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15 agricultural rights for three or more years and, if the owner has a  
16 ✓ loan from the state on the land subject to the agricultural rights,  
17 the loan is and has been in good standing for the most recent three  
18 years. The commissioner may not negotiate the sale of more than one  
19 five-acre homesite on each original tract purchased from the state.  
20 The purchaser shall pay the costs of any survey, appraisal, and notice  
21 requirements and shall agree, as a condition of the purchase, to use  
22 the homesite only as a homesite for 20 years after the conveyance. If  
23 [the land is not used as a homesite for the 20 years after the convey-  
24 ance, it reverts to the state. The purchase price of the homesite  
25 shall be the fair market value of the land at the time of the applica-  
26 tion for the purchase. In this subsection, "homesite" means land used  
27 for residential and other related purposes, including barns, corrals,  
28 garages, workshops, and storage facilities.

29 \* Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

Original sponsor: Coghill

1 IN THE SENATE BY THE FINANCE COMMITTEE  
2 CS FOR SENATE BILL NO. 11 (Finance)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FIFTEENTH LEGISLATURE - FIRST SESSION  
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16 the state. The purchaser shall pay the costs of any survey, apprais-  
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21 garages, workshops, and storage facilities.]  
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# STATE OF ALASKA

STEVE COWPER, GOVERNOR

## DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

400 WILLOUGHBY AVE.  
JUNEAU, ALASKA 99801-1796  
PHONE: (907) 465-2400

April 25, 1988

The Honorable Fran Ulmer  
Chair, House State Affairs Committee  
P.O. Box V  
Juneau, Alaska 99801

Dear Representative Ulmer:

Subject: Committee Substitute for Senate Bill 11, which would allow the Commissioner of Natural Resources to sell the holder of an agricultural parcel a five-acre fee simple homesite on the parcel.

Position: While the Department of Natural Resources did not object to this bill in the past because we believed that certain protections for agricultural land could be included in the legislation, it has become clear to us that the possible problems associated with the sale of a five-acre homesite for each agricultural parcel have not been resolved. Language ensuring that the homesite would be used only for the purchaser's personal domicile has not been included, and the bill does not prevent the five-acre homesite parcel from being sold to a non-farm owner. If the homesite parcel is not included when the farm is sold in the future, the new owner will likely request that a new five-acre homesite parcel be provided. This could ultimately result in the loss of much of Alaska's prime farm land to residential uses.

Background: As you may know, the Department of Natural Resources is currently directed by statute (AS 38.05.321) to transfer only agricultural rights to the purchaser of state land classified for agriculture. The land patent document for agricultural parcels grants the purchaser title to the surface estate in fee simple, subject to the condition subsequent and related covenants which require use of the property for agricultural purposes only. This bill would remove the agricultural use covenant for a five acre homesite on each agricultural parcel.

The Honorable Fran Ulmer

-2-

April 25, 1988

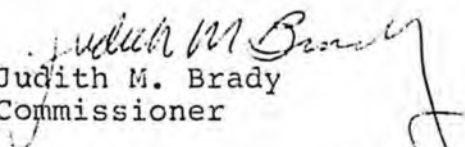
The department currently allows farm buildings and related improvements on up to 20 acres of an agricultural parcel. A five-acre homesite conveyed under the terms of this bill would be contained within the approved farmstead site and intended for use as the purchaser's personal domicile.

We estimate that approximately 500 purchasers of state agricultural parcels would be eligible for this homesite program. The bill requires the purchaser to pay the costs of survey, appraisal, and notice requirements, but would result in some additional costs to the department for processing purchase applications, issuing survey instructions, and negotiating sale agreements.

We estimate that purchase of the remaining available land rights to an agricultural parcel would generate approximately \$800 per acre at current market values.

Please let me know if I may provide additional information or assistance.

Sincerely,

  
Judith M. Brady  
Commissioner

cc: Members of Committee  
Senator Coghill  
Ron Clarke  
Bob Evans

February 4, 1987

The Honorable Jack Coghill, Chair  
Senate Resources Committee  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

Dear Senator Coghill:

Subject: Senate Bill 11, which would allow the Commissioner of Natural Resources to sell the holder of an agricultural parcel a five acre fee simple homesite on the parcel.

Position: The Department of Natural Resources would not object to this bill if language ensuring that the homesite would be used for the purchaser's personal domicile is included, if virtually all costs related to the purchase of the homesite would be borne by the buyer, and if sufficient funding for administration of the program is appropriated for the department.

Background: The department is currently directed by statute (AS 38.05.321) to transfer only agricultural rights to the purchaser of state land classified for agriculture. The land patent document for agricultural parcels grants the purchaser title to the surface estate in fee simple, subject to the condition subsequent and related covenants which require use of the property for agricultural purposes only.

The department currently allows farmstead buildings and improvements on up to 20 acres of an agricultural parcel. The five acre homesite should be contained within an approved farmstead site. To grant full fee simple title to a homesite parcel would require the removal of the agricultural use only covenant for the five acre homesite. Since only agricultural support functions are currently required on the farmstead (rather than actual clearing and planting of crops), removing the agricultural use restrictions for a five acre homesite would not be inconsistent with current settlement practices.

Senator Jack Coghill

-2-

February 4, 1987

We estimate that approximately 500 purchasers of state agricultural parcels would be eligible for this home-site program. The bill would require the purchaser to pay the costs of survey, but would result in additional costs to the department for land appraisals, survey directions, public notice and other administrative requirements. Since our land disposal program and staff is eliminated in the proposed FY 88 budget request, new funding would be needed to perform these tasks.

Please let me know if I may provide additional information.

Sincerely,

Judith M. Brady  
Commissioner

cc: Members of Committee

bcc: Governor's Legislative Liaison

AGRICULTURAL LAND DISPOSALS  
1978-1986

NON-PROJECT

DATE	DISPOSAL	<i>total</i> ACRES	NUMBER OF PARCELS	AVERAGE SIZE	LOCATION
APR 78	TANANA LOOP	8369	60	89	DELTA JUN
JUL 78	HOMER	2590	14	214	HOMER
JUN 79	TALKEETNA	1159	22	53	MAT/SU
DEC 79	BUFFALO	1150	6	198	DELTA JUN
DEC 79	BARTLETT HILLS	8172	37	303	MAT/SU
DEC 79	SIX CREEKS	743	12	62	DELTA JUN
DEC 79	GUSTAVUS	585	6	98	SOUTH EAST
DEC 79	WARREN	740	3	247	DELTA JUN
JUL 80	TWO RIVERS	5454	79	189	FAIRBANKS
JUN 80	COPPER CENTER	612		309	GLENALLEN
NOV 82	FOUR MILE HILL	4720	36	131	DELTA JUN
JUN 81	ROSTE CREEK	320	3	107	FAIRBANKS
JUN 81	SCOTTY LAKE	2160	4	540	MAT/SU
JUN 81	SALCHA	3738	16	234	DELTA
JUN 82	EIELSON I	3805	14	272	FAIRBANKS
JUN 82	BUFFALO II	460	2	153	DELTA JUN
DEC 82	23 MILE SLOUGH	761	17	45	FAIRBANKS
DEC 82	TWO MILE LAKE I	4130	17	243	NENANA
DEC 82	LITTLE SUSITNA	550	3	187	MAT/SU
DEC 82	NANCY LAKE	200	2	100	MAT/SU
DEC 82	GOOSE CREEK	160	1	160	MAT/SU
JUN 83	DELTA ISLANDS	907	2	302	MAT/SU
JUN 83	MOOSE CREEK	667	4	167	MAT/SU
JUN 83	BROWNS COURT	1775	9	197	NENANA
NOV 83	CLEARWATER	1924	10	192	DELTA JUN
JUL 84	RABIDEAUX	2346	7	335	MAT/SU
JUL 84	EIELSON II	2114	6	352	FAIRBANKS
JUL 85	TWO MILE LAKE II	2158	8	270	NENANA
TOTAL		59965	344	174	ACRES AVE

PROJECTS

AUG 78	DELTA I	60365	22	2754	DELTA JUN
MAR 82	DELTA II	24904	15	1660	DELTA JUN
SEP 82	POINT MACKENZIE	14568	31	470	MAT/SU
TOTAL		100057	68	1471	ACRES AVE

HOMESTEADS

JUL 84	NIKISKI	350	5	78	KENAI
JUL 84	RICHARDSON	655	8	79	DELTA JUN
JUL 84	YENTNA (REMOTE)	2400	15	160	MAT/SU
JUL 84	WILLOW CREEK NORTH	340	4	85	MAT/SU
JUL 86	WILLOW CREEK	320	2	160	MAT/SU
JUL 86	KOBE	2140	23	93	NENANA
JUL 86	HOMER	565	5	113	HOMER
TOTAL		6790	62	110	ACRES AVE

BOROUGH

MAY 77	MAT/SU	3125	16	195	MAT/SU
OCT 82	MAT/SU	3461	20	173	MAT/SU
NOV 83	MAT/SU	4135	14	295	MAT/SU
TOTAL		10721	50	214	ACRES AVE

GRAND TOTAL		177533	524	339	ACRES AVE
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Fran:

What would happen to the loan if it reverts?

The state would not inherit the obligation. Lender would go back to the borrower to receive compensation.

What period would correspond to the AHFC loan conditions?

Would AHFC loan money on the conditions of the bill?

The lender would probably structure the loan to match the conditions of the conveyance.

JK

M E M O R A N D U M

TO: House State Affairs Committee  
FROM: Representative Fran Ulmer, Chair  
House State Affairs  
DATE: April 29, 1988  
RE: Committee Substitute for SB 11 (work draft)

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Two major concerns have been raised by legislators, the public and state agencies regarding the intent of SB 11. These are:

- 1) If a 5 acre parcel is offered for sale, the state should have some assurance the buyer will not default on the agricultural loan that person holds after obtaining fee simple title to the 5 acre parcel.

Page 1, Line 14 after "homesite"

Delete "."

Insert

"if the owner has had the land subject to the agricultural rights for three or more years and, if the owner has a loan from the state on the land subject to the agricultural rights, the loan is and has been in good standing for the most recent three years."

Requiring the buyer to be in "good standing" allows the state (commissioner) to determine, prior to conveyance of the 5 acres, who would most likely continue to meet their loan obligation.

- 2) A second concern relates to the use of the 5 acre parcel. Once someone obtains fee simple title to that parcel, he/she would be under no obligation to use it as a simple "homesite" even though "homesite" is defined in the bill. Residential buildings, for example, could be used as a "country inn." If the "homesite" were used for other purposes it is not clear what the penalty would be. ✓

Page 1, Line 21

After "requirements"

Insert

"and shall agree, as a condition of the purchase, to use the homesite only as a homesite for 20 years after the conveyance. If the land is not used as a homesite for 20 years after the conveyance, it reverts to the state."

A purchaser agrees, as a condition of purchase, to use the 5 acres as a homesite for 20 years after the conveyance. If it is used for other purposes, the land reverts back to the state.

Alaska HOUSING FINANCE CORPORATION



April 22, 1988

Senator Jack Coghill
Alaska State Legislature
P. O. Box V
Juneau, AK 99811

Attn: Elizabeth Ziegler

Dear Senator:

You have asked us to provide you with a brief statement as to why Alaska Housing Finance Corporation cannot at this time grant loans on agriculture parcels. For clarity, I will give the reasons in very simple terms, however, please realize that this is a complex issue and deserves much further discussion than what is stated here.

Very simply then, the potential borrower does not own the land, but simply has the right to farm it. Due to the terms of the lease, the title company cannot give AHFC, or any other potential lender, warranties that the loan is in first-lien position! Without first-lien position, the loan cannot be granted.

Taking this one step further, even if the stated deeded a portion of the land to the potential borrower, problems would still exist. The parcel deeded must be legally accessible without traversing the leased land.

These are just a few of the problems AHFC has encountered in trying to implement a home loan program for Alaskans who have chosen to take part in Alaska's agricultural program.

As always, we are willing to work with you on this, or any other issue.

Sincerely,

Margaret Nelson (handwritten signature)

Margaret Nelson
Special Assistant/Public Information Officer

ec

561-1900

# Bill would allow reduced payments on state-financed agriculture loans

THE ASSOCIATED PRESS

The state attorney general determined recently that it would be unlawful for the state to reduce loan payments for troubled farmers, but legislators are considering a bill that would permit that type of relief.

Division of Agriculture Director Mark Weaver was told last week that the Agricultural Revolving Loan Fund board probably doesn't have authority to refinance farm loans to lower the payments. But Weaver said the board already has revised payment plans for about 20 farmers, based on an attorney's earlier opinion that it was legal.

About 250 farmers have loans through the state's Agricultural Revolving Loan Fund, and about one-third have expressed an interest in refinancing.

Weaver says that if a bill lodged in the Senate Finance Committee isn't approved by the Legislature this year, he may have to tell farmers the state will not be restructuring their loans, even after it said it would.

"The department is looking for something to solve our legal mess, because we're going to be in one. All those people are going to say, 'Hey, you made a deal. We don't care if you had the authority or not,'" Weaver said.

The bill, SB484, is being rewritten. Progress toward passage was stopped about two weeks ago because Sen. Rick Halford, R-Chugiak, co-chairman of the Senate Finance Committee, said he had questions.

Halford wants a written a legal determination of whether the state can restructure loans from the revolving fund. He planned to hold a hearing on the bill this week.

Halford stopped the bill's progress after looking at the results of a separate loan bill approved by the Legislature in 1986.

Under that program, farmers in the Delta I and II projects turned their land back to the state and got all or part of their original land purchase loans forgiven. The farmers then repurchased the land from the state at greatly reduced prices.

The Delta farm projects, started during the administration of Gov. Jay Hammond, have been largely unsuccessful because the state and the farmers underestimated the cost of developing commercial farms and overestimated the market for barley products.

Gov. Bill Sheffield then cancelled plans for construction of a grain-loading facility at Seward. World prices for barley today are about half what they were in the early 1980s.

Weaver said the repurchase costs generally were about one-quarter of the original loan. About 30 farmers—almost all of those in the Delta projects—applied for the program.

The farmers who have completed the process essentially have been forgiven millions of dollars in loans, and the state still is working out details with others.

At the same time, the farmers collect money from the federal Con-

servation Recovery Program, which pays farmers to plant grass rather than crops. Nationally, the program is designed to reduce crop surpluses and prevent soil erosion.

Halford questions why the state should forgive the farmers millions of dollars when the federal government was paying them the same amount they would earn if they were harvesting crops.

In fact, the 1986 Legislature prohibited farmers from relinquishing and buying back land if they were using "a federal farm program that provides monetary or other incentives for keeping agricultural land in a Delta Project out of production."

But state officials decided that the Conservation Recovery Program didn't really keep land out of production. Farmers receiving federal CRP payments were allowed to give their land to the state and repurchase it.

Halford, annoyed about the loophole, asked the Department of Natural Resources to explain how it happened.

The new version of the bill will not permit farmers to relinquish then repurchase land, a supporter of the measure said, but will allow the Agricultural Revolving Loan Fund to extend the length of time farmers have to pay back loans.

5-0100X  
Bradley  
4/27/88

Original sponsor: Coghill

1 IN THE SENATE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 11 ( )

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the conveyance of a five-acre  
7 homesite on agricultural land; and providing for an  
8 effective date."

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

10 \* Section 1. AS 38.05.065 is amended by adding a new subsection to  
11 read:

12 (i) The commissioner may negotiate with the owner of land sub-  
13 ject to agricultural rights the purchase by that owner of a five acre  
14 fee simple homesite. The commissioner may not negotiate the sale of  
15 more than one five-acre homesite on each original tract purchased from  
16 the state. The purchaser shall pay the costs of any survey, apprais-  
17 al, and notice requirements and shall agree, as a condition of the  
18 purchase, <sup>Restated or</sup> to use the homesite only as a homesite for 20 years after  
19 the conveyance. If the land is not used as a homesite for the 20  
20 years after the conveyance, it reverts to the state. The purchase  
21 price of the homesite shall be the fair market value of the land at  
22 the time of the application for the purchase. In this subsection,  
23 "homesite" means land used for residential and other related purposes,  
24 including barns, corrals, garages, workshops, and storage facilities.

25 \* Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

26 IF the owner defaults on the 5 acre PARCEL  
27 → the 5 acre parcel reverts back to the state  
28 would prevent, loan - however,  
29 must document have CONFUSION

AHER

NAIVED CLASS - POSSIBLE GOOD CREDIT  
RISK - OVER-DEAL

RESISTANCE AND PROCESS -

MAY NOT OBLIG TO RESOLVE  
WHO CAN BE HELD FOR  
IN GOOD STANDING.

THIS WAY. WITH OUR  
TURKEY.

---

COOL - OCCASION TO COOL  
CONSIDER GOOD CREDIT  
RISK RE: LOW -

MAY DO IT FOR PEOPLE  
FOR PEOPLE WHO FEEL  
THEir MY PROCESS

MODERATE OR CONSIDER  
NO DETOURING THIS -



Should the state sell farmers fee simple title to all or part of agricultural tracts? Why?

**Sturgulewski:**

It is the state's policy in providing land for agricultural purposes that it remain agricultural land. I do not support selling agricultural land at agricultural prices for fee simple title. The potential for losing valuable farm land is too great.

**Wright:**

Yes. America's private property right.

**Hayes:**

Selling of land with fee simple title should be an option. I believe this would open private financing options to many farmers who may have only the state to go to. However, I also believe that agricultural use should be preserved as the long-term use of the land. If farmers believe conveyance of fee simple title is necessary, I will support it.

(See ANSWERS, Page F-10)

F-10—Daily News-Miner, Fairbanks, Alaska, Sunday, August 24, 1986

## ANSWERS

(Continued from Page F-9)

**Richards:**

The state's agricultural program has been a tragic failure, harming several Alaska families. It is imperative that the state restructure the program so that those bona fide farmers have a chance of making a go of it. I would favor financial or land ownership arrangements that reduce the burden to farmers so it is feasible for them to achieve success.

**Randolph:**

I favor granting farmers fee simple title, possibly with agricultural covenants. With clear title, farmers can obtain working capital from conventional sources without the need for state subsidies. Whenever possible, the state should work toward putting

land into the hands of individual Alaskans.

**Somerville:**

I am not in favor of giving fee simple title to all lands included in leases. I favor reducing the debt load and reducing the size of the tracts.

**McGrane:**

No answer submitted.

**Hickel:**

Yes. Land ownership has been and is the foundation of our free society. Farmers have two entitlements to show their net worth: The land, its condition and maintenance and the yield which the land produces. Fee title is a must. It is needed to protect the public interest in agricultural land.

**Cowper:**

Yes. There should be five acres available for a homestead. Otherwise, a home loan cannot be obtained because agricultural rights can't be mortgaged. In future agricultural sales, the state should consider transferring fee simple title.

**Sheffield:**

The farmers already have fee simple title, but there are conditions attached which prohibit subdividing under 40 acres or destruction of the crop-producing capacity. Those conditions are appropriate since farmers purchased the land at very low values, with the expressed purpose of using the land for agriculture.

**White:**

No. Make it an estate to an individual of life plus 10.

**Vogler:**

Yes, to all. It is necessary to secure financing if needed. Farming vegetables are a joke. Retaining a 5 percent interest in all petroleum reserves is suggested for the state.

No 206

STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE

A

REQUEST: \_\_\_\_\_  
Revision Date: 4/1/87  
Title: Homesites on agricultural land  
Sponsor: Senator Coghill  
Requestor: Senator Coghill

Bill Version: CSSB 11 (Finan  
Publish Date: 4-2-87  
Agency Affected: Natural Resources  
BRU: Land and Water Management  
Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES		72.0	72.0			
TRAVEL		2.0	2.0			
CONTRACTUAL		4.0	4.0			
SUPPLIES		1.0	1.0			
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		79.0	79.0			
CAPITAL						
REVENUE		*	*			

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME		1	1			
PART-TIME		1	1			
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

\*Purchase of the remaining available land rights would generate an estimated \$800 per acre.

Prepared by: Carol Wilson Phone: 465-2400  
Division: Commissioner's Office Date: 4/2/87  
Approved by Commissioner: *Sennie Boston Gorseuch* Date: 4-2-87  
Agency: Natural Resources

- Distribution (by preparer):
- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

FISCAL ANALYSIS CSSB 11  
continued

With all costs of the homesite purchase to be borne by the applicant, including survey and appraisal, the department's responsibility would be limited to receiving and processing purchase applications and negotiating the homesite sale.

The full-time Natural Resource Officer II would be responsible for receiving applications; making necessary findings under AS 38.05.035; adjudicating applications against the information supplied in the completed survey (including the location of buildings); developing and administering contracts; and pursuing contract defaults and foreclosures, if necessary.

The half-time review surveyor would issue survey instructions and review and approve the completed surveys.

If a limited homesite purchase application period is established for the existing 500 agricultural parcels, the 1 1/2 staff persons would need to be funded for two to four years to complete the project.

If homesite applications can be made at any time, from 50-100 purchase requests could be expected each year. If staff to process these applications is not funded, purchase requests would be filed in the order received and processed as staff assigned to other projects can be made available.

If a \$50 filing fee is assessed, it would help defray processing costs.

100 -	1 Range 16 (Contract Administration)	42.0
	1/2 Range 19 (Survey Review)	30.0
200 -	Travel to spot check surveys	2.0
300 -	Postage, telephone, copy fees	4.0
400 -	Office supplies	1.0

FISCAL NOTE

REQUEST:

Revision Date: 2/24/88  
Title: Homesites on agricultural land  
Sponsor: Senator Coghill  
Requestor: House State Affairs Committee

Agency Affected: Natural Resources  
BRU: Land and Water Management

Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES		72.0	72.0	72.0	72.0	72.0
TRAVEL		2.0	2.0	2.0	2.0	2.0
CONTRACTUAL		4.0	4.0	4.0	4.0	4.0
SUPPLIES		1.0	1.0	1.0	1.0	1.0
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	79.0	79.0	79.0	79.0	79.0

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
---------	-----	-----	-----	-----	-----	-----

REVENUE	-0-	*	*	*	*	*
---------	-----	---	---	---	---	---

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	79.0	79.0	79.0	79.0	79.0
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	79.0	79.0	79.0	79.0	79.0

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

\*Purchase of the remaining available land rights would generate an estimated \$300 per acre.

Prepared by: Richard LeFebvre  
Division: Land and Water Management

Phone: 762-2692  
Date: 2/24/88

Approved by Commissioner: Tom Hawkins (acting)  
Agency: Natural Resources

Date: 3/19/88

Distribution (by preparator):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

FISCAL ANALYSIS CSSB 11  
continued

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	1/2 Range 19 (Survey Review)	30.0
200 -	Travel to spot check surveys	2.0
300 -	Postage, telephone, copy fees	4.0
400 -	Office supplies	1.0

FRAN:

Notes on SB11, Conveyance of Homesites-

Apparently there has been a long standing debate between Kerttula and Coghill over whether land that has been designated agriculture land should be used for other purposes. Kerttula says no while Coghill argues we should allow persons to purchase 5 acres to gain fee simple title to the land; in that way these individuals could build a home on this land and finance the building through a bank - something they cannot do now because they only have agricultural rights. The state already allows for buildings on 5 acres.

Kerttula's concern is that by allowing this title to the five acres we may be opening the door for development not intended. The letter from Lesh (attached) is a good example and there are others too.

Pt. McKensy near Anchorage, a big agriculture area, has been targeted by Joe Cange (sp?) - he would like to develop this area (condo's according to Beth). Passing this bill would be a first step in allowing him to do it.

I requested further backup info from Coghill's office which we haven't received yet. Hope this short summary is helpful.

Dennis

# GUSTAVUS INN

Gateway to  
Glacier Bay



May 1, 1987

David & JoAnn Lesh Phone: 907-697-2254 P.O. Box 31 Gustavus, Alaska 99826

Dear Rep. Ulmer,

I am opposed to SB 11 the bill which would allow owners of agricultural land to purchase a 5 acre parcel for the following reasons:

Out of the 5 or 6 agricultural parcels given out by the state none are being used for commercial agriculture in any serious way. Most have not had anything done to them. Only one has a permanent resident who has tried to live up to the requirements of the state. His present use of the land given to him by the state for agricultural use is as a country inn in direct competition with my business. If he is allowed to purchase the five acre parcel that his business sits on he will be surrounded by 155 acres of parklike protection. While it is not quite as isolated as your Lemisurier Island land it has the same protection from nearby development and isolation that is so important. The same protection that I have to pay 15,000 per acre for. The value of such a tourist business is greatly enhanced as you can imagine. Is this the purpose of the state agricultural sales?

Any other parcel locally or statewide could be used as inns or resorts or vacation condominium developments in direct competition with private enterprise. If the state feels that they made a mistake with the agricultural sales please don't add insult to injury. The states' give away programs have done a lot of harm and are part of the reason that we are  
↓ financial straits we are in. ↓

"Coil your rope & anchor here til better weather doth appear"

# GUSTAVUS INN

Gateway to  
Glacier Bay



David & JoAnn Lesh Phone: 907-697-2254 P.O. Box 31 Gustavus, Alaska 99826

Please let me know how you feel about this matter. I have enclosed a copy of a brochure that I feel is of a type that we will be seeing more of if your bill goes through.

Thank you for your time. Rep. Goll knows how I feel and recommended that I write you.

Sincerely,

David T. Lesh

✎

✎

"Coil your rope & anchor here til better weather doth appear"

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE ULMER

NAME: HAROLD WORTHEN  
TITLE:  
ADDRESS: PO BOX 56123  
CITY: NORTH POLE ZIP: 99705  
PHONE: 488-9585  
BILL NO: SB 11  
SUBJECT: FIVE-ACRE HOMESITE ON AGRICULTURAL LAND  
MESSAGE: IN REFERENCE TO YOUR (REP. ULMER) LETTER TO ME LAST YEAR, I WOULD  
LIKE TO SEE SB 11 START TO MOVE. EOM/MJO

POHID: 07112355  
DATE: 04/20/88  
TIME: 11:23:55  
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COPIES: REPRESENTATIVES

BOUCHER  
DAVIDSON  
DONLEY  
HOFFMAN  
MARTIN  
MENARO

*Dennis*

Senator John B. (Jack) Coghill  
Alaska State Legislature



Box V  
Juneau, Alaska 99811  
(907) 465-4797

Box 55028  
North Pole, Alaska 99705  
(907) 488-0862

M E M O R A N D U M

To: Representative Fran Ulmer, Chair  
House State Affairs Committee

From: Senator John B. Coghill

Re: SB 11, Five Acre Homesite on Agricultural Lands

Date: April 25, 1988

SB 11 would allow the the Commissioner of Natural Resources to sell a five acre fee simple absolute tract to farmers who presently have a restricted fee.

I have worked with farmers for the last few years and one of the most dismaying consequences of our agricultural program has been inability of farmers to use their farmland for collateral for conventional loans. A case in point is the Alaska Housing Finance Corporation. Last year an amendment was made allowing the AHFC to make housing loans to owners of ag parcels. Just this week I was informed that they can not because the title is restricted. Confusion surrounds every aspect of just what kind of title our farmers have.

I believe it is good state policy to enable our farmers to borrow funds from private lenders instead of the state agricultural revolving loan fund. This fund will be depleted in the next few years and presently cannot be used for housing loans.

Many farmers do not live on their parcels because they could not get a loan. With the current economic situation this may lead to a disincentive to continued farming. Recognizing the state's \$60 million plus investment in agriculture, I think we should encourage those who want to farm in Alaska.

I urge your support on SB 11.

## Farm land being saved from development

By **GEORGE ESPER**  
AP Special Correspondent

**FRANKLIN TOWNSHIP, N.J.** — Susan and Ted Blew are having fun these days growing vegetables on their 160-acre farm, making some money and raising three children in wide open spaces only 45 minutes from the smokestacks of industrial Newark.

Things weren't always so good.

For five years, they struggled, saddled with a six-figure mortgage and a floating interest rate that reached 16 percent.



Theirs was a Catch-22 situation. To make more money to pay the mortgage, the Blews rented 1,000 more acres and grew wholesale

grain. They considered it drudgery, and, worse, the new loans only added to their debt.

Then, about two years ago, they found a way to pay off their mortgage, keep their Hunterdon County farm for their children and make money growing what they wanted: They sold development rights to their land to the state of New Jersey as part of a farm land preservation program.

More and more state and local governments are giving top priority — and tens of millions of dollars — to farm land preservation programs, efforts to save rapidly vanishing open space from developers. The trend is spreading from the Northeast, where it started, to the South and West.

The government assesses the land's value for farming and compares that to its higher worth for housing or commercial use, such as a mall. The farmer is offered the difference in dollars in return for an agreement that the land can never be sold for development. The farmer keeps the property and can still sell it, but its deed will be restricted to farming or open space use.

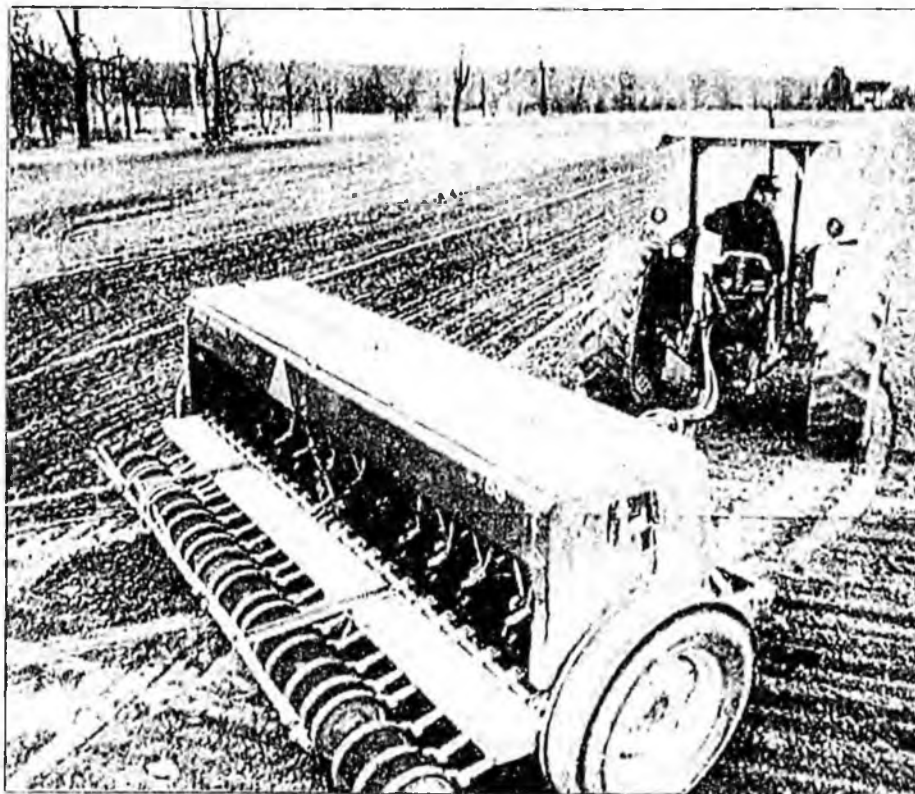
The Blews received almost \$900 an acre or \$143,500 from the state and county, which split the cost. That same day, Dec. 19, 1985, they turned the check over to the bank, paying off their mortgage, on which they had been making payments of close to \$10,000 every six months, and an outstanding business loan.

"We had \$10 (left) to go to lunch," Ted said. They celebrated at a Ponderosa restaurant with steaks and chocolate milk. "It came to \$10.12," said Susan, smiling.

The Blews can afford to smile now. The pressure is off.

"It relieved the pressure of that exploding interest rate," Ted said. "You enjoy working when you're making some money, when you're able to pay your bills and have something left over."

New Jersey's share of the money came from a \$50 million bond issue voters approved in 1981.



Farmer Ted Blew plants spring grain at his 160-acre farm in Franklin Township, N.J. Blew and his wife, Susan, have sold the development

rights to their farm for \$143,500 in a program set up by the state to preserve farm land in New Jersey.

AP Le...er photo

Other states with similar farm land and open space preservation programs include Connecticut, Maine, Maryland, Massachusetts, New Hampshire, Pennsylvania, Rhode Island and Vermont.

Local programs exist in Boulder County, Colo.; Forsyth and Mecklenburg counties in North Carolina, whose respective seats are Winston-Salem and Charlotte; King County, Wash., around Seattle; and Northern California's Marin and Solano counties. In Collin County, Texas, north of Dallas, officials are trying to raise funds for land preservation.

Over the last decade, almost 100,000 acres of working farm land have been saved, said Jim Riggie, director of field operations for American Farmland Trust in Washington, D.C., a non-profit organization that works to conserve agriculture.

The success of preservation programs, however, doesn't mean development is being slowed.

Riggie estimated that since World War II, some 70 million to 100 million acres of U.S. agricultural land

has been converted to commercial or residential use, or has been used for highway or other public works projects. That leaves no more than 1.2 billion acres of privately owned open land nationwide, of which 575 million are being farmed or have a high potential for farming, while the rest remains unused for crops because of its lesser quality.

Roughly 3 million acres of farm land are being lost every year, he said.

"Six out of 10 of the most productive agricultural counties are either already classified in metropolitan areas or adjacent to them," he said. "That's where the action is taking place. There is a general degrading of the quality of our land in this country."

Development pressure in Massachusetts remains strong even though the state has already spent \$45 million to buy up rights and preserve nearly 20,000 acres. The Legislature last December approved an additional \$35 million for the program.

Why? "You're preserving the economic fabric of the

rural area. It has an additional benefit. It's a working landscape," replied August Schumacher Jr., Massachusetts commissioner of food and agriculture.

Ron Allbee, Vermont's commissioner of agriculture, agreed.

"We sell Vermont to tourists for the pristine open space, for the small villages," Allbee said. "I think there's a broader concern. If we lose our agriculture, we're going to lose what people identify as Vermont."

Even in big cities, such as Philadelphia, voters are overwhelmingly approving bond issues to buy up the rights. There are many reasons.

In Pennsylvania, which is just beginning its program after voters approved a \$100 million bond issue in November, agriculture is the No. 1 industry.

Pennsylvania has 56,500 farms that produce crops worth \$3.2 billion a year and generate \$35 billion in related business. But since 1960, the state has lost 50,000 farms and 3.8 million acres of land that went out of production, most of it believed to be for development.

Along with economics, sentiment helped the preservation forces, state Sen. Noah W. Wenger said.

"Even people that live in the cities can remember their grandfather or their uncle living on a farm," he said, "and they have a certain affinity to that and I think that was in its favor."

But even more, Wenger said, was the realization that about 20 percent of all the jobs in the state are related to agriculture.

"It's just good business sense to take care of your No. 1 industry," he said. "You would spend \$100 million to keep a basic industry intact so that that industry can continue to pay taxes and provide jobs so that we will have funds available to support our social programs, our research programs."

The trend toward preservation of farm land appears to be gaining priority beyond the Northeast. "The idea has begun to catch on," said American Farmland's Riggie.

Californians will vote June 7 on a referendum for \$776 million to preserve open space, including farm land, greenbelts and parks.

In Florida, a state law requires every county to develop within the year a program to limit its expansion into rural areas. More than 90 percent of all open land outside urban areas in Florida is farm land.

Riggie said the preservation programs are concentrated in the Northeast because it is the oldest settled region and the states are small, and often mountainous, limiting the amount of arable land.

David Meade is one of the Northeast's concerned farmers. He sold the development rights to 70 acres of his farm land in Howell Township, N.J., near Freehold, to the state for about a half million dollars last September. Developers had offered him more than a million.

"I would only have to take that money and go out and buy another one. Farming isn't an occupation. It's a way of life," he said. "It's not necessarily something you get into with the idea of getting rich. It's something you get into because it's a matter of the heart."

2

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE ULMER

NAME: ANDY PAYNE  
TITLE:  
ADDRESS: P.O. BOX 1192  
CITY: DELTA JCT. ZIP: 99737  
PHONE: 895-4075  
BILL NO: SB 11  
SUBJECT: FIVE-ACRE HOMESITE ON AGRICULTURAL LAND  
MESSAGE: AS A DELTA FARMER I URGE YOU TO SUPPORT SB11 BECAUSE IT ALLOWS FARMERS  
TO BORROW MONEY AGAINST THEIR FARM IMPROVEMENTS, REMOVE SOME OF THE RISK  
INVOLVED IN DEVELOPING AGRICULTURE LAND, AND ENCOURAGES FARMERS TO STAY ON THEIR  
AGRICULTURE LAND AND CONTINUE FARMING IT.

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DATE: 04/16/87  
TIME: 17:04:41  
LIONAME: DELTA JUNCTION LIO

COPIES: REPRESENTATIVES

BOUCHER  
DAVIDSON  
DONLEY  
HOFFMAN  
MARTIN  
MENARD

JC  
file

# STATE OF ALASKA

## DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

STEVE COWPER, GOVERNOR

400 WILLOUGHBY AVE.  
JUNEAU, ALASKA 99801-1796  
PHONE: (907) 465-2400

April 25, 1988

The Honorable Fran Ulmer  
Chair, House State Affairs Committee  
P.O. Box V  
Juneau, Alaska 99801

Dear Representative Ulmer:

Subject: Committee Substitute for Senate Bill 11, which would allow the Commissioner of Natural Resources to sell the holder of an agricultural parcel a five-acre fee simple homesite on the parcel.

Position: While the Department of Natural Resources did not object to this bill in the past because we believed that certain protections for agricultural land could be included in the legislation, it has become clear to us that the possible problems associated with the sale of a five-acre homesite for each agricultural parcel have not been resolved. Language ensuring that the homesite would be used only for the purchaser's personal domicile has not been included, and the bill does not prevent the five-acre homesite parcel from being sold to a non-farm owner. If the homesite parcel is not included when the farm is sold in the future, the new owner will likely request that a new five-acre homesite parcel be provided. This could ultimately result in the loss of much of Alaska's prime farm land to residential uses.

Background: As you may know, the Department of Natural Resources is currently directed by statute (AS 38.05.321) to transfer only agricultural rights to the purchaser of state land classified for agriculture. The land patent document for agricultural parcels grants the purchaser title to the surface estate in fee simple, subject to the condition subsequent and related covenants which require use of the property for agricultural purposes only. This bill would remove the agricultural use covenant for a five acre homesite on each agricultural parcel.

The Honorable Fran Ulmer

-2-

April 25, 1988

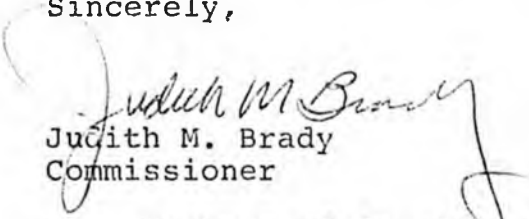
The department currently allows farm buildings and related improvements on up to 20 acres of an agricultural parcel. A five-acre homesite conveyed under the terms of this bill would be contained within the approved farmstead site and intended for use as the purchaser's personal domicile.

We estimate that approximately 500 purchasers of state agricultural parcels would be eligible for this homesite program. The bill requires the purchaser to pay the costs of survey, appraisal, and notice requirements, but would result in some additional costs to the department for processing purchase applications, issuing survey instructions, and negotiating sale agreements.

We estimate that purchase of the remaining available land rights to an agricultural parcel would generate approximately \$800 per acre at current market values.

Please let me know if I may provide additional information or assistance.

Sincerely,

  
Judith M. Brady  
Commissioner

cc: Members of Committee  
Senator Coghill  
Ron Clarke  
Bob Evans

# STATE OF ALASKA

## DEPARTMENT OF ADMINISTRATION

### DIVISION OF PERSONNEL

STEVE COWPER, GOVERNOR

P.O. BOX C  
JUNEAU, ALASKA 99811-0201  
PHONE: (907) 465-4430

February 5, 1988

The Honorable Adelheid Herrmann  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811-3100

Dear Representative Herrmann:

I am writing in response to your January 26, 1988, letter requesting information about our current recruitment, examining and register systems. I appreciate this opportunity to provide you with additional information about our practices before the hearing on House Bill 326.

I will respond to your letter as specifically and completely as possible by first restating your questions and after each question providing my response.

Question #1: What changes have been made to the State register system to streamline the system and update the application process?

Answer: Over the past twelve months, the Division of Personnel has reviewed job classes for the purpose of tailoring its recruitment efforts to the specific needs of each job class. As a result of this effort, we have been able to identify five basic categories of jobs or job classes for recruitment purposes. These categories are vacancy-based classes, office skills, seasonal, continuous, and needs-based classes. As a consequence of this categorization, we have been able to design recruitment efforts which streamline the recruitment and selection process.

Perhaps the most significant change resulting from the above categorizations was the development of a recruitment effort for positions with actual vacancies. This process is called VACANCY BASED RECRUITMENT. The cornerstones of this program are threefold. First, recruitment efforts are based on the fact that a vacancy actually exists. Second, recruitment efforts are targeted at the local area where the vacancy exists. Third, recruitment information is transmitted electronically.

Prior to the implementation of vacancy-based recruitment, a manager in a local area who needed to fill a permanent position could request an eligible list from either the departmental personnel officer or the Division of Personnel. The eligible list issued could include candidates who had been on the list for up to two years and who may not be interested in a vacancy in the area where the vacancy exists. The problems with this approach were obvious. The manager would spend a great deal of time attempting to contact candidates who were no longer interested in the position and the eligible list provided would not include the names of local qualified residents who would have applied for

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the vacancy if they had known of its existence. Vacancy-based recruitment is designed to remedy these concerns.

Vacancy-based recruitment has many facets but basically it works as follows: A manager in a local area who has a vacancy can request the Division of Personnel to conduct vacancy-based recruitment. Currently the division will, within 24 hours of receiving the request, have recruitment bulletins announcing the vacancy, transmitted electronically, to the area where the vacancy exists. The bulletins will be sent to the Division of Personnel offices, Department of Labor Job Service Centers, and Legislative Information offices. These vacancies are also advertised on radio, television and newspapers in the area where the vacancies exist. Letters announcing the vacancy are sent to area legislators.

Candidates are given two weeks to apply. As long as the application is placed in the mail within the two-week period it will be considered timely. If the vacant position is one which requires a written test, the Division of Personnel will arrange to have the test administered in the area where the candidate resides. If the candidate qualifies, he/she will be placed on the list in time to be considered for the vacancy.

The Division of Personnel has conducted vacancy campaigns for over 20 job classes since November 1, 1987. We wish to do more but, to be quite frank, a sudden expansion of this effort would require some additional staff. To date, we have been able to keep up with requests using existing staff and, given our current workload level, will continue to do so. Included among the job vacancies for which such recruitment is being conducted or has been completed are Local Government Specialist I, II and III, Planner III, and Probation Officer II in Bethel, Program Service Aide and Correction Officer II in Seward, Radio Dispatcher in Tok, Probation Officer II in Ketchikan, Program Service Aide in Kotzebue, and Administrative Officer II in Nome. Vacancy-based recruitment is now available for use for 144 different job classes. Whether or not vacancy-based recruitment will be used for additional job classes depends upon the status of current eligible lists, the nature of specific vacancies and the degree of examining difficulty associated with the class. Finally, vacancy-based recruitment may add an additional three weeks to the selection process. The vacancy-based recruitment is initiated at the request of managers who learn of vacancies before the vacancy exists and do not have a need to fill the position immediately.

A second effort undertaken by the Division of Personnel to streamline the application process is the development of a single test and application for 35 office skills job classes in the State of Alaska system. A candidate can submit a single application, take an Office Skills Test, and be considered for placement on an eligible list for 35 separate job classes. The classes include: Accounting Clerk, Administrative Support Technician, Documents Processor, Motor Vehicle Representative, Secretary and Teletype Operator. These tests are given at least every month on a walk-in-basis in twelve rural communities (see page 21 of the enclosed "How to Apply Booklet").

We give this test on an as-needed basis throughout rural Alaska, and will also arrange special testing sessions at the request of the hiring manager.

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In an effort to further simplify the application process, the division has allowed applicants to submit a single application to be considered for all levels in most class series. For example, only a single application is needed to apply for Fish and Game Technician I-V.

Seasonal jobs are jobs in positions which are permanent and established to meet recurring seasonal needs of less than twelve months duration. These positions have required special recruitment efforts including extensive recruitment efforts during the off season to ensure that eligible lists are current for hiring managers when the need for seasonal labor arises. An example of a position which requires such recruitment is a Fish and Game Technician. Recruitment for these positions took place in October of 1987 for vacancies expected to occur in spring of 1988.

As of January 1988, the State has 344 job classes which are open to all state residents. Of these, 264 classes are open continuously. The job classes included those which have a significant number of vacancies or turnover and relatively low number of eligible candidates on the existing register. An example, in this category is Public Health Nurse. The open recruitment periods are for 30 to 60 days and are extensively advertised. The advertisement efforts are explained in our answer to question #5. A recruitment schedule announcing openings for January through June is enclosed with this letter under the title "Additional Information."

As of January 1988, the State of Alaska had 1,003 job classes. A total of 659 job classes were determined to be in the "needs-based category. These classes have a large number of eligible applicants who are already on the register and/or a small number of vacancies which occur each year. In many cases, employees on layoff have applied for these jobs, and must, by contract be given absolute preference in hiring. An example of a job in this category, is Administrative Assistant.

A less recent development in Personnel is a change in the law and division policy which allows managers in local areas to consider all local residents first for nonpermanent and short-term seasonal positions. If a manager has a nonpermanent or short-term seasonal position opening, the manager may request an eligible list. If there are no available local candidates which appear on the list, the manager can request the local job service office to refer a qualified local candidate to fill the vacancy.

A continuing effort to streamline the recruitment process is the delegation of the recruitment, scoring, and certification process to the operating departments. Many departments now have delegated authority for their specialized jobs. For example, the Department of Natural Resources examines and scores applications for Natural Resources Technicians, Officers and Managers.

Question #2: In your opinion, what changes can be made to improve the system now?

Answer: I believe that, within available resources the system can be improved in two ways.

An obtainable method of improving the system is to adjust the minimum qualifications required to be considered for a job. This change is on the verge of implementation. The classification study which was funded by the legislature in 1983, and which will be implemented if the legislature passes Senate Bill 254, adds the following phrase to the minimum qualifications for job classes in State service: "Other combinations of training and experience will be evaluated on an individual basis for comparability." This phrase will allow classification specialists to consider relevant experience, not specifically mentioned in the minimum qualifications when rating applicants. This study also resulted in the reduction of the total number of job classes in the State system from approximately 1,003 to 850 classes.

Finally, my office intends, within available resources, to review the way scores are assigned to individual applicants. I thoroughly agree that both minimum qualifications and relative scores must be based on the needs of the job.

Question #3: What are the problems and weaknesses in the system that still need to be worked out?

Answer: To a great extent, my answer to this question has been addressed with my answers to questions #1 and #2. The problems with Alaska's system are not unique to Alaska. All large organizations and specifically merit-based government systems face similar challenges. The labor intensive nature of qualifying applicants is time-consuming and expensive. Additionally, the system must be continually subject to fine tuning to attempt to insure that the requirements used to qualify applicants are based on the requirements of the job without constructing needless barriers to job classes for the State's applicants.

Question #4: How have you changed the system to hire rural residents for local jobs and to encourage employers to hire locally, rather than going on a statewide register?

Answer: See the answer to question #1 relating to local hire and vacancy-based recruitment.

Question #5: How have you changed the system to more effectively meet the needs of rural residents?

Answer: See discussion of vacancy-based recruitment, nonpermanent hire, and Office Skills Test in answer to question #1. In addition, the division has greatly increased its efforts to educate the Alaskan public on how to apply for a job with the State and to notify all residents of Alaska of open recruitment periods. The effort includes:

1. A monthly mailing to 29 radio stations in rural and outlying areas of a five-minute program, 30-second spots and 30-second hard copy spots announcing classes which are open for recruitment. In addition, printed information of a similar nature is now sent to local newspapers. Finally, 30-second spots are sent to the Learn Alaska Network and cable television outlets.

2. All Department of Labor offices are provided open recruitment information, State of Alaska job applications and a booklet prepared by the Division of Personnel explaining how to apply for State jobs. (A copy of the booklet is enclosed.)
3. Whenever possible, we have attempted to have radio stations in rural Alaska translate our material into local native languages. This has occurred in the past with KYUK-Bethel, KDLG-Dillingham, KNOM and KICY-Nome and KOTZ-Kotzebue.
4. For a number of job classes, the ability to communicate in the local native language of the area is not only considered but highly desirable. This is true for Local Government Specialist, Community Development Specialist, Paralegal, Assistant Eligibility Technician, Fish and Game Technician, Subsistence Resource Specialist and Fish and Game Regional Regulatory Program Assistant.

Question #6: I would also like to see examples of forms used by the department, including application forms, notice of hire, notice of job opening, recruitment notice, an example of each of the five register types (departmental, interdepartmental, nonpermanent, layoff and open competitive and examples of forms and criteria used for scoring applicants.

Answer: Examples of each of these forms are enclosed in the order of their request. All register examples are real. We have, however, removed the names and other identifying information about the applicant. In addition, we have not enclosed a notice of hire form because the State does not use such a form. Each hiring manager notifies the candidate chosen either by telephone or by mail. After the employee has reported for work and completed all forms necessary to ensure enrollment in employee benefit programs, establish legal right to work in the United States, and choose deductions for tax purposes, the employee will receive a Personnel Action (PA) form as his/her official record of appointment. A copy of such a PA is enclosed.

I have also enclosed an Information for Applicant Sheet, Recruitment Schedules and JOBS Book.

Question #7: Are there any registers or job classes which an applicant can receive points for bilingual skills in English and the language indigenous to the region?

Answer: There are no job classes for which points are given for bilingual skills. However, bilingual skills are highly desirable for some particular positions (see answer to question #5). Additionally, departments may request permission from the Director of Personnel to consider only bilingual candidates on the eligible list when hiring for particular positions. The bilingual requirement must be job related. Examples of classes in which this has occurred include Program Service Aide, Local Government Specialist, and Fish and Game Regulatory Program Assistant.

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Question #8: Are there any registers or job classes for which an applicant receives points for having a background in the area where the job takes place, familiarity with local customs or cross-cultural experience?

Answer: There are some job classes for which cross-cultural experience is job related and it receives points. An example is Subsistence Resource Specialist I which rates experience gained in a cross-cultural setting (involving Alaskan native cultures) higher than the same experience gained elsewhere. Also, in several job classes, training and experience rating points are given for commercial or subsistence hunting or fishing experience. Examples are: Fish and Game Technician I-V and Fish and Wildlife Aide.

Subsistence or commercial hunting experience fully or partially meets the minimum qualifications for Subsistence Resource Specialist I, Fish and Game Technician I, and Fish and Wildlife Aide.

Additional efforts at improving the register system as a selection tool which may be of interest to you include the State's expanded certification program which requires hiring supervisors to consider applicants who are members of underutilized race/sex groups whenever any hire is made regardless of the candidates rank on the eligible list. The division has also mounted special recruitment efforts in local areas including a special recruitment effort in Nome which resulted in the hire of ten local residents for ten new Correction Officers positions. Finally, the division has scheduled longer recruitment periods for job classes with positions found in outlying areas to ensure that local residents have a sufficient opportunity to apply.

I hope the information I have provided satisfactorily answers your questions. If you have additional questions or have requests for additional information, please feel free to contact me again.

Sincerely,

Diana DeSimone  
Director

DD/KR/cfm  
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Enclosures